

**Summary**  
*of*  
**The Palestine Strategic Report**  
**2018 – 2019**



Edited By  
**Prof. Mohsen Mohammad Saleh**



Al-Zaytouna Centre For Studies & Consultations

# **Summary of The Palestine Strategic Report 2018 – 2019**

**Editor**

**Prof. Dr. Mohsen Mohammad Saleh**



**Al-Zaytouna Centre  
For Studies & Consultations  
Beirut - Lebanon**



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## Introduction

Since 2005, the Palestine Strategic Report has been published regularly by al-Zaytouna Centre for Studies and Consultations in Beirut. The center is an independent think-tank focused on strategic studies and forecasts, centered on the Palestine issue. This is the eleventh volume of the Palestine Strategic Report (PSR) series. It covers all aspects of the Palestine issue 2018–2019, while envisioning future tracks.

The PSR, edited by Prof. Dr. Mohsen Mohammad Saleh (Professor of Palestine Studies and al-Zaytouna General Manager), tackles, interprets, and analyzes the internal Palestinian situation, Palestinian demographic and economic indicators, the status of the Land and the holy sites, and discusses Palestinian Arab, Islamic and international relations, as well as the Israeli situation, resistance operations, and the peace process. The report is scientifically documented and supported by dozens of tables, statistics, and charts.

The PSR was authored by a group of 14 specialists, including: Mr. Ashraf Badr, Mr. Basem al-Kassem, Mr. Hani al-Masri, Ms. Iqbal ‘Omeish, Dr. Johnny Mansour, Dr. Moein Muhammad ‘Atta Ragab, Mr. Rabi‘ al-Dannan, Dr. Sa‘id al-Haj, Mr. Sari Orabi Taha, Prof. Dr. Talal ‘Atrissi, Mr. Wael Sa‘ad, Prof. Dr. Walid ‘Abd al-Hay, Mr. Wi’am Hammoudah and Mr. Ziad Bhies. It is reviewed by a specialized advisory body.

The following is a summary of the report, whose original size is about 400 pages.



## **First: The Palestinian Internal Situation**

The years 2018–2019 saw a continuation of the crisis of the Palestinian national project, the weakness, deterioration and inefficiency of the Palestine Liberation Organization (PLO), and the retreat of the role of the Palestinian Authority (PA), while Israel continues to empty it of any national content and of strengthening its functional role. The Palestinian schism, the conflict between the resistance and the peace tracks, and the faltered reconciliation have continued, in light of the absence of a unified platform, and the insistence of one Palestinian faction on dominating the Palestinian decision-making and government institutions.

### ***An Anxious and a Tense Start***

On 12/10/2017, Hamas and Fatah signed a reconciliation agreement in Cairo, where optimism prevailed that this would succeed, nevertheless, its implementation was very slow. As a prelude to this agreement, Hamas dissolved its administrative committee that was formed to administer the Gaza Strip (GS), which was also the reason for Fatah to impose sanctions on GS, and it handed over all the GS crossings to the government. However, the PA, in return, didn't lift the sanctions, didn't solve the case of the 22 thousand appointed employees, and linked lifting the sanctions pending further measures, the most famous of which is the "empowerment" of the national consensus government.

The Palestinians have faced the recognition of US President Donald Trump of Jerusalem as the capital of Israel and his decision to move the US embassy from Tel Aviv to Jerusalem, with a unified national rejection, thus increasing the hope for uniting the national landscape against the growing challenges, especially as the return of coordination between President 'Abbas and senior leaders of the Hamas movement was announced. However, soon things were back to their previous conditions and the national internal relations relapsed, when in March 2018, a roadside bomb blast damaged several vehicles in the convoy of the PA prime minister accompanied by the PA intelligence chief. The GS authorities accused the intelligence service in Ramallah of the blast, for they wanted the sanctions and pressures to continue, while the PA and Fatah were quick to accuse Hamas of responsibility.



### ***From a National Consensus Government to a Fatah One***

The empowerment of the national consensus government was at the forefront of the Fatah-Hamas debate, i.e., the full and comprehensive empowerment of all aspects of the government, including weapons, which was occasionally—explicitly or implicitly—talked about. The PA did not take any new steps to ease or lift the GS sanctions, or to address one of the most important problems between the two movements, i.e., the GS government employees. For to pay their salaries and run the Hamas administration, the latter levied internal taxes.

Fatah insisted on the empowerment of the government, including extending its control over land, security, the judiciary, border crossings, and internal levy, and these entail the return of ministers and the heads of operating organizations, authorities and institutions. Hence, it means that Fatah rejects the presence of the GS senior officials at their offices.

Despite all the talk about the empowerment of the national consensus government, President ‘Abbas dissolved the government and formed, for the first time since the Palestinian schism, a government headed by the Palestinian Central Council (PCC) member Mohammad Shtayyeh. It was an added step to the dismantling of political and legal ties between the West Bank (WB) and GS, thus widening the schism further. It had also a negative impact on the unification of the Palestinian left factions, where contradiction were reignited, and on Fatah itself, where internal differences were uncovered.

Shtayyeh’s government did not announce a detailed program, rather only a provisional one that included holding legislative elections, as per the designation letter. His government faced a stifling financial crisis, when Israel cut the money allocated to the families of martyrs and prisoners from the clearance tax revenues it collects. Despite the PA’s decision not to accept the money if incomplete, it backed down and accepted them.

### ***The Dissolution of the Legislative Council and Its Implications***

In December 2018, the Palestinian Legislative Council (PLC) was dissolved by a Constitutional Court ruling, thus reinforcing the measures leading to the legal and political separation between WB and GS. Most of the major Palestinian factions rejected the ruling, others had their reservations, except for Fatah

which supported it along with some marginal factions. The ruling triggered legal discussions concerning the legitimacy of the Constitutional Court itself, and the contents of the ruling and its political bias. Legal institutions have unanimously agreed on questioning the legitimacy of the Constitutional Court and the correctness of its decision to dissolve the PLC.

The speech of President ‘Abbas left no doubt that it was a political move under the pretense of legal action. In any case, seven months after the PLC dissolution, ‘Abbas dissolved the High Judicial Council, so that no authority would be on par with the PA, the judiciary would be used for internal rivalry, and security forces would dominate the Palestinian society. The PLC dissolution at the end of 2018, has led to start 2019 with more tension and disagreement between the two movements, the escalation in the verbal sparring, authoritarian and security targeting, and the withdrawal of PA staff from the GS crossings.

### ***The PLO at the Core of Schism***

Early 2017, there was Palestinian consensus in Beirut on convening the Palestinian National Council (PNC), still ‘Abbas and Fatah insisted on convening a regular session in Ramallah, in late April 2018; consequently, Hamas, the Palestinian Islamic Jihad (PIJ) and the Popular Front for the Liberation of Palestine (PFLP) boycotted it, considering it a violation of a previous national agreement. Indeed, ‘Abbas has broken the promises he made after Trump decision on Jerusalem, that it would be an emergency session. National schism widened when the PCC convened several times, boycotted by Hamas, PIJ and the PFLP. At the PCC’s 30th session, Ramallah 28–29/10/2018, the boycott widened to include the Democratic Front for the Liberation of Palestine (DFLP) and the the Palestinian National Initiative (PNI), which left Fatah isolated from the main Palestinian factions.

At the PNC session, ‘Abbas was elected President of Palestine and Chairman of the PLO Executive Committee, which was newly chosen upon agreement, and 35 new PCC members were agreed on, too. That meant that Fatah and the PA elite were dominant over the PLO, hence, blocking other national forces and using the PLO politically in internal disputes and for the arrangements of the post-‘Abbas era. The political decisions of all these sessions regarding the conflict with Israel, such as reviewing the PA and PLO obligations towards

the agreements with Israel, including halting security coordination, economic dissociation, and the activation of popular resistance, were not executed. This was the case, even after ‘Abbas announced that he had formed a decision enforcement committee, thus leaving wide impression that these decisions lacked any seriousness, and that they are pure media maneuvers, aimed at filling the political void with political rhetoric.

### ***Security Coordination Between the National Relations and the Relations With Israel***

The PA continued its security coordination with Israel, despite the PNC and PCC decisions and the Palestinian near consensus. For it realizes that for the Israelis, a fundamental aspect of the PA existence is dependent on security coordination, and that if it doesn’t coordinate harsh measures would be awaiting it. Consequently, coordination persisted and the PA was constantly accused of contributing in reaching a number of pursued Palestinians. Israel has repeatedly issued statements about the PA role in security coordination, where its security forces have prevented about 40% of the resistance operations, and contributed in subduing the WB uprisings. Although it has cut its PA support, the US support of the Palestinian security forces have continued, in addition to the announced coordination meetings, at higher levels.

Finally, it is hoped that after Trump’s announcement of the “Deal of the Century,” on 28/1/2020, an internal Palestinian revision would be taken that would bring unity back to the Palestinian national landscape, and coordinate the struggle against liquidating the Palestine issue.

## Second: Palestinian Demographic Indicators

The Palestinian Central Bureau of Statistics (PCBS) reviewed its previous statistics, and presented updated numbers, thus decreasing its estimates of the number of Palestinians, especially inside Palestine. The PSR has adopted these numbers. As for the data not provided by PCBS, PSR based its statistics on the available data, noting that it is very difficult to know the numbers of Palestinians abroad, since there are inconsistent data.

Available estimates indicate that the number of Palestinians in the world at the end of 2019 (early 2020) was about 13.35 million; about half of them 6.637 million (49.7%) live inside historic Palestine, and the other half 6.713 million (50.3%) live in the diaspora. Inside Palestine lives 5.04 million, who are distributed into 3.02 million (59.9%) living in WB, 2.02 million (40.1%) in GS, and 1.597 million in the territories occupied in 1948.

As for Jordan, the number of Palestinians living there at the end of 2019 is estimated at 4.29 million, i.e. 32.1% of Palestinians worldwide (about 63.9% of the Palestinian diaspora), most of them carry the Jordanian nationality. The number of Palestinians in the rest of the Arab world is estimated at 1.696 million (12.7% of Palestinians worldwide), where most of them live in neighboring Arab countries, such as Lebanon, Syria, Egypt, and the Arab Gulf states. 727 thousand Palestinians live in the rest of the world (5.5% of Palestinians worldwide), where most of them live in the US, Latin America, Canada, Britain, and the rest of the European Union. It should be noted that these are estimates, especially outside Palestine, where it is difficult to conduct accurate statistics.

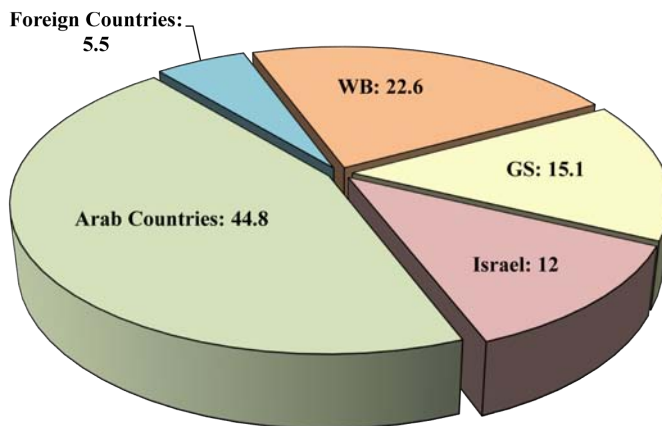
Noteworthy to say that more than 75% of Palestinians abroad reside in the countries surrounding occupied Palestine (Jordan, Syria, and Lebanon), which indicates that Palestinians are still attached and close to their land, and are looking forward to their return even after about 72 years of the *Nakbah*. They believe that their return is a practical and feasible matter. This attachment is also evident among the Palestinians in the rest of the world, through the right of return organizations, and the activities of Palestinian communities in the Arab countries, Europe, Asia, the Americas and Australia.

**Palestinian Population Worldwide Estimate According to Place of Residence  
at the End of 2018 and 2019 (thousands)**

Place of residence		2018		2019	
		Population estimates	Percentage (%)	Population estimates	Percentage (%)
Palestinian territories occupied in 1967	WB	2,954	22.6	3,020	22.6
	GS	1,961	15	2,019	15.1
Palestinian territories occupied in 1948 (Israel)		1,568	12	1,597.5	12
1948 Palestinians		6,483	49.6	6,636.5	49.7
Jordan*		4,187	32.1	4,290	32.1
Other Arab Countries		1,663	12.7	1,696	12.7
Foreign Countries		717	5.5	727.5	5.5
Palestinians Abroad		6,567	50.3	6,713.5	50.3
Total		13,050	100	13,350	100

\*The number of Palestinians in Jordan is based on the PCBS statistics in 2009, when their number was 3,240,473, and on the 2.47% annual growth rates during 2016, issued by the Jordanian Department of Statistics (DoS).

**Palestinian Population Worldwide Estimate According to Place of Residence  
at the End of 2019 (%)**



More than two-thirds of the world's Palestinians are refugees. For in addition to some 6.713 million Palestinians abroad, there are some 2.129 million refugees living in WB and GS, as well as some 150 thousand refugees who have been expelled from their land, but still reside in the territories occupied in 1948;

therefore the total number of Palestinian refugees is estimated at 8.992 million, or about 67.4% of the total Palestinian population for the year 2019. Although this number is likely to have some duplication, as there are Palestinians abroad who carry the identity documents of interior Palestine, the margin remains limited. As of early 2019, the number of refugees registered in the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) reached 6.172 million. This is while noting that there are many refugees who have not registered with UNRWA, because they do not need their services or because they do not reside in its area of operation, such as the Gulf countries, Europe and America.

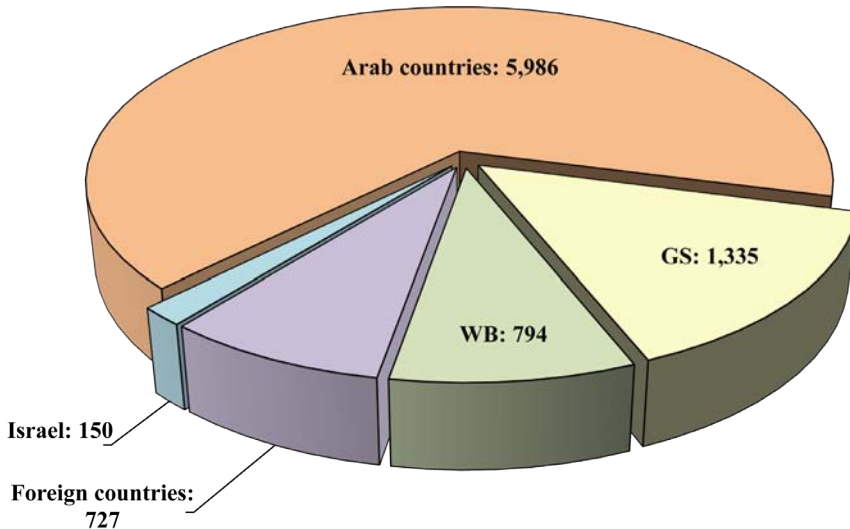
#### **Palestinian Refugees Worldwide; Population Estimates in 2019 (thousands)**

Region	WB	GS	Israel*	Arab countries	Foreign countries	Total
Estimates	794	1,335	150	5,986	727	8,992

Note: The estimates of WB and GS are based on the percentages published by PCBS (26.3% of the WB population and 66.1% of the GS population are refugees)

\*Approximate numbers

#### **Palestinian Refugees Worldwide; Population Estimates in 2019 (thousands)**

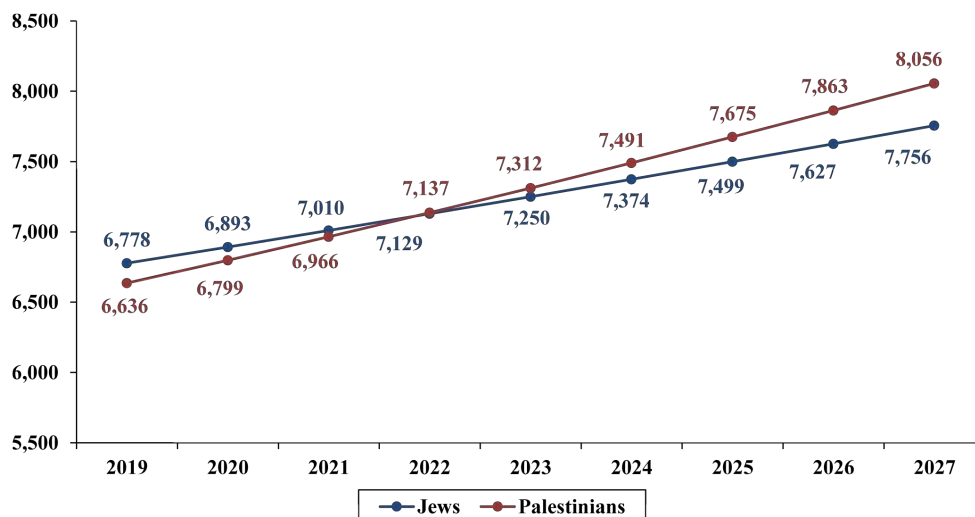


The annual demographic growth rate in WB and GS was 2.5% in mid 2019 (2.2% in WB and 2.9% in GS). According to PCBS amended statistics, the number of Palestinians and Jews in historic Palestine will be equal at the end of 2022, where each will be approximately 7.1 million.

### Estimated Population Count of Palestinians and Jews in Historic Palestine 2019–2027 (thousands)

Year	Palestinians in historic Palestine	Jews
2019	6,636	6,778
2020	6,799	6,893
2021	6,966	7,010
2022	7,137	7,129
2023	7,312	7,250
2024	7,491	7,374
2025	7,675	7,499
2026	7,863	7,627
2027	8,056	7,756

### Estimated Population Count of Palestinians and Jews in Historic Palestine 2019–2027 (thousands)



### Third: The Land and the Holy Sites

On 6/12/2017, the US recognized Jerusalem as the capital of Israel and announced that it would move its embassy there in the midst of May 2018. The Israelis, concomitantly, doubled their efforts to resolve the future of the conflict over the city, through an unprecedented US cover. In return, there were basically popular Jerusalemite reactions, and on a lower level Palestinian, Arab and Islamic reactions to prevent the implementations of these decisions. Until now, Israel and the US have failed to provide an international cover for their measures; however, great hazards still threaten Jerusalem and its future.

Concerning the targeting of Jerusalem, the Israelis closed the Directorate of Education in Jerusalem and the Arab Health Center, executed massive demolition at Shu‘fat refugee camp, Wadi al-Hummus, and al-‘Izariyyeh. They approved a number of Judaization projects, such as the Jerusalem Cable Car in the Old City and a big new settlement on the ruins of Qalandiya airport.

At the same time, during 2018–2019, the Israelis suffered two setbacks in the Jerusalem area; the first was on 20/10/2018, when the decision to demolish Khan al-Ahmar was temporarily postponed, after five months of Palestinian and international confrontations and pressure. The second was on 22/2/2019, when Bab al-Rahma prayer area inside *Al-Aqsa* Mosque compound was reopened by the force of the masses, 16-years after its closure.

As for the aggression against *al-Aqsa* Mosque, there were three parallel tracks: Temporal division and the settlers’ storming of *al-Aqsa*, where the Jews insisted on performing public Talmudic rituals inside it. They were gradual attempts until they reach their climax in October 2019. The second is emptying the role of the Jordanian Endowments of its substance, which can be seen in two milestones: First, early 2019, when the Jerusalem’s Awqaf was stripped of its authority in the restoration of the outside part of the southwestern wall, and in return the Israeli municipality made a restoration in *al-Aqsa* Mosque, for the first time in its history; and the second was in October 2019, when *al-Aqsa* guardians were prevented from escorting the Israelis, who stormed the mosque



during the holidays, or from photographing them. The third track is the spatial division that targeted the Golden Gate from both sides, at the historic cemetery next to it.

Concerning the Christian endowments, the High Court of Justice issued its final ruling concerning the Omar Square estates, which were sold in a secret transaction by the Greek Orthodox Patriarchate in 2005. The current Patriarch Theophilos III had promised—if chosen—to annul the transaction, nevertheless the opposite was done in 2019.

During 2018–2019, the settlement activity in Jerusalem and the WB manifested in four central forms: First, enhancing the Jewish presence in the center of Jerusalem, by implementing infrastructure projects such as the Jerusalem Cable Car in the Old City, stopping the housing expansion in front of the Palestinian neighborhoods by installing gardens, especially at the western foot of the Mount of Olives and in Silwan. Second, bolstering the isolation of Jerusalem from Ramallah to ensure the impossibility of any contiguity between them, by expanding the settlements of Pisgat Ze'ev, Neve Ya'akov and Ma'ale Adumim, located inside the Separation Wall, and the settlements of Ma'ale Mikhmas and Adam, located outside it. In addition to building a new settlement on the ruins of Qalandiya airport, to ensure the separation of Qalandiya and Kafr 'Aqab refugee camp, to the north, from Beit Hanina to the south. This will eventually lead to a complete separation of WB into two northern and southern islands separated by Jerusalem and surrounded by the Jordan River. It is the original Zionist strategic vision of WB as expressed by the Allon Plan in 1967. Third, transforming Jerusalem into an urban center for the settlers, who live in the midst of WB, providing them with services and connecting them to the streets and public transportation lines. Fourth, strengthening the East Hebron settlements bloc that encircle the old town from the east, and dominate the city and its neighborhoods, in an attempt to stress the biblical identity of Israel.

The Israeli settlement activity have been increasing, grabbing large areas of WB; where there are 200 settlements and 220 settlement outposts that control all strategic areas in WB. As for the Separation Wall, it expropriates 11% of WB and isolates Jerusalem from the rest of WB. There are 600 moving and fixed checkpoints in WB, and hundreds of kilometers of roads that are used exclusively by Jewish settlers.

As for the settlers community in WB, they exceed 800 thousand, and they have many representatives in the Knesset. On 18/11/2019, the settlement activity received a boost when US Secretary of State Mike Pompeo announced that the US no longer considers Israeli settlements to be illegal under international law.

In 2020–2021, the conflict over Jerusalem's future is expected to continue, where the Israeli attempts would be covered by the US, and in return there would be a Jerusalemite and Palestinian response, with limited Arab and Islamic support. Donald Trump's reelection as President of the United States will be the most influential factor in the severity of this confrontation. As for *al-Aqsa* Mosque, its role as the symbol of popular uprisings will continue, while the Golden Gate may be a point of escalation as the Israelis would try to re-close it. The second point of escalation would be when storming *al-Aqsa* Mosque and the accompanying aggressions, especially with the concurrence of Islamic and Jewish central holidays over the next two years, thus there will be likely repeated popular uprisings in Jerusalem.

Concerning settlement building, the Israeli attempts to encircle Jerusalem and Ramallah from the east may develop to the extent that any contiguity between the north and south of WB would end, however, popular confrontation will be a key factor in determining the progress of such attempts.

## Israeli Settlement Building and the Separation Wall in WB



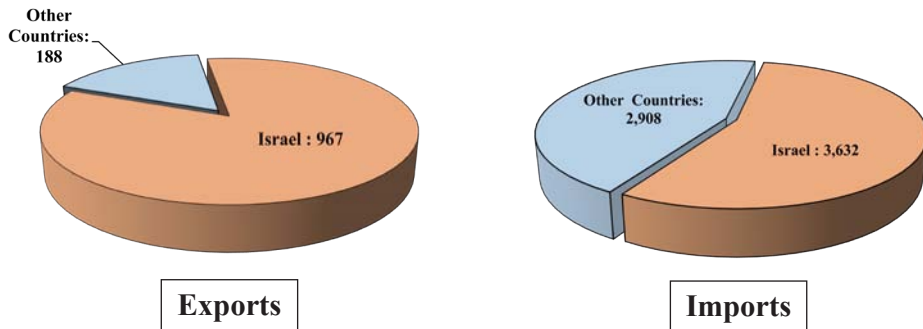
## Fourth: Economic Indicators in the WB and GS

Israel has managed to make the Palestinian economy dependent on it, for it confiscates the land, depletes its wealth, controls the PA's exports and imports, destroys its infrastructure, and impedes any real development process, while imposing a strangling siege on GS.

### *Trade*

The volume of trade in 2018 with Israel amounted to \$4,599 million, or about 60% of the total PA foreign trade volume, amounting to \$7,695 million. The volume of imports from Israel amounted to \$3,632 million, representing 55.5% of the PA's total imports of \$6,540 million, while exports to Israel amounted to \$967 million, representing 83.7% of the PA's total exports (\$1,155 million). This severely harms the Palestinian economy and leaves the trade balance severely and continuously skewed in favor of the occupation.

**Palestinian Trade with Israel in 2018 in Comparison with the Rest of the World (\$ million)**



### *Gross Domestic Product (GDP)*

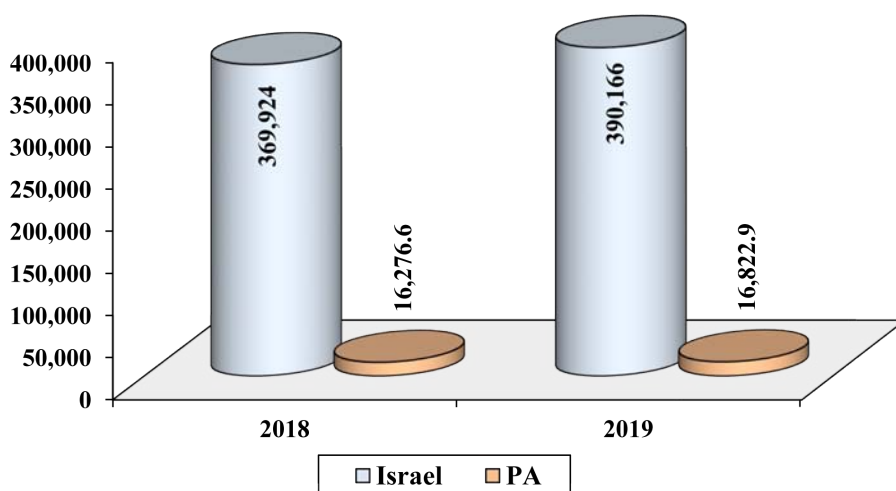
In WB and GS, the GDP (current prices) rose to \$16,276 million in 2018 from \$16,128 million in 2017, an averaged growth of 0.9%. According to available figures for the first three quarters of 2019, it is expected that the GDP would reach \$16,823 million during that year, i.e., 3.4%. Palestinian GDP remains very low compared to the Israeli GDP, which was more than 23 fold (2,320%) in 2019, which highlights the impact of the occupation on Palestinian economy.

**GDP in PA Territories and Israel 2014–2019 at Current Prices  
(\$ million)**

Year	PA	Israel
2014	13,989.7	309,604
2015	13,972.4	300,040
2016	15,405.4	318,948
2017	16,128	353,239
2018	16,276.6	369,924
2019*	16,822.9	390,166

\*Based on the 2019 first three quarters estimates.

**GDP in PA Territories and Israel 2018–2019 at Current Prices (\$ million)**



### ***GDP per Capita***

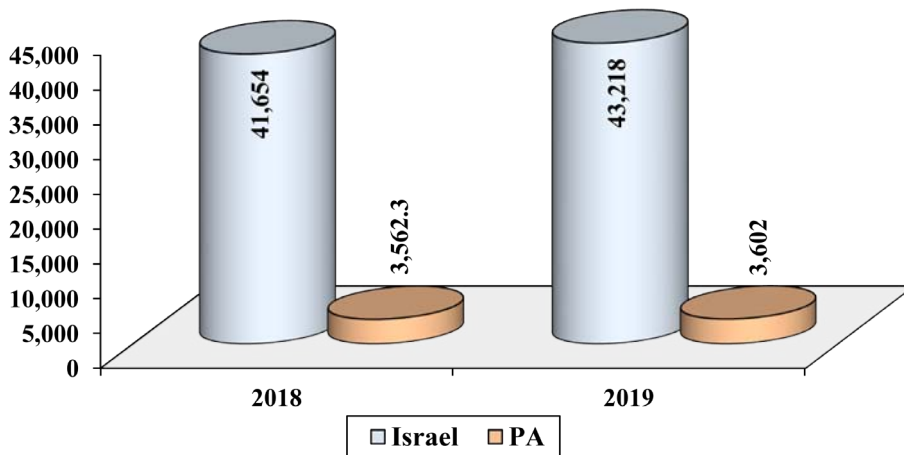
GDP per capita was \$3,621 and \$3,562 for the years 2017 and 2018, respectively at current prices, that is, the per capita income fell by 2.4% in 2017 and then decreased by 1.6% in 2018. According to the figures available for the first three quarters of 2019, GDP per capita is expected to slightly increase to \$3,602, a 1.1% increase.

The decline and fluctuation of per capita GDP during 2018–2019 had a negative impact on the consumption volume, for the developments in world prices have decreased the income levels. In addition, there is a stark difference in the GDP per capita between WB and GS (3 folds), which reached \$5,148 and \$1,507 respectively in 2019, whereas it reached \$5,044 and \$1,541 respectively in 2018. Thus reflecting the severity of the suffocating GS siege. Projections indicate a slowdown in GDP growth and a low GDP per capita for 2020–2021.

#### **GDP per Capita in PA Territories and Israel 2014–2019 at Current Prices (\$)**

<b>Year</b>	<b>PA</b>	<b>Israel</b>
<b>2014</b>	3,357.5	37,701
<b>2015</b>	3,277.9	35,817
<b>2016</b>	3,534.4	37,333
<b>2017</b>	3,620.5	40,557
<b>2018</b>	3,562.3	41,654
<b>2019*</b>	3,602	43,218

\*Based on the 2019 first three quarters estimates.

**GDP per Capita in PA Territories and Israel 2018–2019 at Current Prices (\$)*****Unemployment***

Preliminary estimates in 2019 indicate that the labor force has reached around 1.36 million. The unemployment rate in WB and GS was 24.6% in 2019, compared to 26.2% in 2018. There is a huge disparity in unemployment rates between WB and GS, where in 2019, it reached 45.1% in GS and 13.3% in WB. This indicates that unemployment in GS is more than three times that of WB, and asserts the severe consequences of the GS siege.

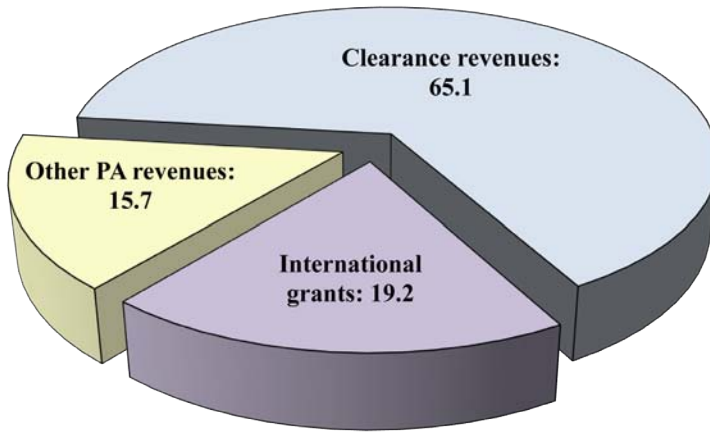
***Revenues and Expenditures***

Preliminary estimates indicate that the PA total net revenues, as of November 2019, decreased by 13.2% compared to 2018, and is expected to reach \$3,007 million in 2019, compared with \$3,463 million in 2018. Total general expenditures of the PA, including development expenditures, are expected to reach about \$3,414 million for 2019, compared with \$3,931 million in 2018, a decrease of 13.2%. The budget deficit is expected to reach \$407 million in 2019, compared to a deficit of \$468 million in 2018.

The PA revenues depend mainly on sources it does not control, where about 84.3% of the 2018 revenues were from the clearance taxes collected by Israel and from international grants. These constitute enormous pressure tools in the hands of Israel and the international community, and are delivered

on the condition of some political and security requirements that affect the independence of the Palestinian decision-making. The total revenues of 2018 were about \$3,463 million, including \$2,255 million clearance revenues (65.1%), and \$665 million external financing (grants and external aid) (19.2%).

**PA Revenues 2018 (%)**



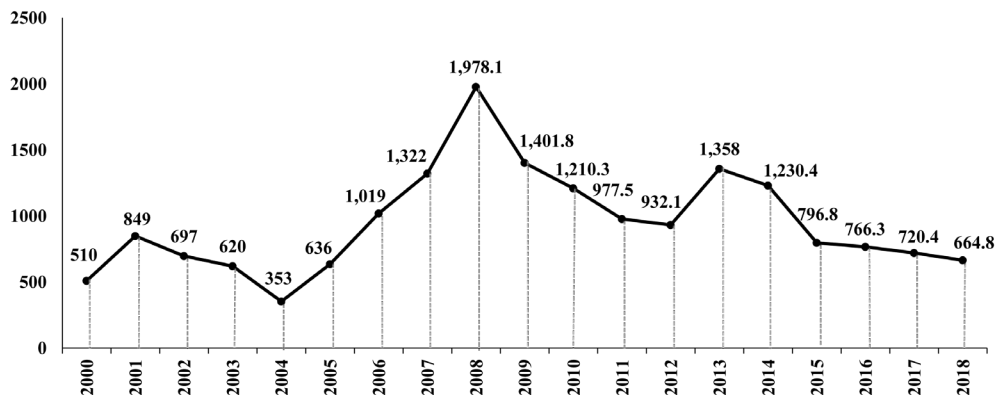
### ***External Financing***

External Financing is expected to reach \$503 million in 2019 compared to \$506 million in 2018. It is noted that in recent years the PA has suffered from a decline in foreign aid inflows, which are usually used to impose the political agenda of donor countries, especially the Western powers. This financing accounted for an average of 42.3% of PA revenues during 2000–2013. After reaching 52.6% of the total revenues of the PA in 2008 (the year following the Palestinian political division), this ratio declined to 19.2% in 2018.

In light of the Oslo Accords, the Paris Protocol, and Israeli practices aimed at limiting the size of the Palestinian economy and perpetuating its dependence on the Israeli occupation, the prospects for real economic growth or a fundamental correction to this growth trend in the next phase appears to be low.



### PA External Budgetary Support 2000–2018



### *The GS Siege*

GS is fighting a battle of wills against a cruel and an unjust siege. It aims to subjugate GS, disarm it, and force it to submit to the Israeli will. The Strip is still steadfast after about 13 years of siege.

However, the siege has had grim/stark impact on all walks of life, where the United Nations predicted that GS would be uninhabitable by 2020. For there are indicators such as the deterioration of the infrastructure, unprecedented unemployment rates particularly among the youth, and their impact on poverty and food insecurity, in addition to the decline of the GS contribution to the total GDP, which was 20% in 2019 compared to 39% in 2005. The present suffering can be seen in the estimates of the GS losses, which are due to the current economic situation. For example, there are about \$100 million losses per month, resulting from the partial or total shut down of hundreds of productive enterprises, which have also dispensed the majority of their employees. It is true that there are limited facilities concerning the movement of people and the import of goods through the Rafah crossing with Egypt, and that Israel allows those carrying businessperson permits to work inside its territories, however, these facilities do not meet the minimum Palestinian needs and do not constitute a permanent or regular Israeli commitment.

It is expected in the next two years 2020–2021 that the Israeli domination of the Palestinian economy, and the suffering of the Palestinian people under occupation would continue. The PA is expected to increase domestic borrowing to face the decrease of clearance tax and budget deficit, and since it failed to make tangible breakthrough in the difficult economic, social and humanitarian problems, such as high unemployment rates coupled with poverty and the increase in food insecurity. It is also expected that growth would remain low, without tangible additions to the GDP per capita.

## **Fifth: Israeli Aggression and the Tracks of Resistance and the Peace Process**

### ***Israeli Aggression and Palestinian Resistance***

In 2018–2019, Israel continued its aggression against the Palestinian people, who, despite the ferocity of the occupation and weakness of Arab and Islamic countries, continued with their steadfastness and resistance. An innovative qualitative development appeared in the popular resistance means by organizing weekly return marches at the GS border. During these two years, the Palestinian resistance strategy in GS developed, and became based on joint and coordinated defense. The work of the joint chamber of the Palestinian resistance factions has evolved to include the management of confrontations, and setting the pace of resistance, hence as if it became the “resistance staff.”

A number of qualitative resistance operations, led by al-Qassam Brigades, took place, particularly the Khan Yunus operation, on 11/11/2018, and the confrontations during the period 3–6/5/2019. Moreover, on 12/11/2019, following the Israeli assassination of the PIJ military leader Baha' Abu al-'Atta, two-day confrontations took place between the PIJ and Israel, supported by the joint chamber. These confrontations supported the resistance factions endeavor to maintain the deterrence equation with Israel.

As for GS, it witnessed an increase in the number of Palestinian rockets fired from GS towards Israeli towns and cities in the 1948 Palestinian occupied territories. 754 rocket and mortar attacks were launched from GS in 2018, increasing to 1,020 in the following year, according to the Shabak. In 2018–2019, Israel continued to impose a policy of land and sea blockade on GS, to establish an unprecedented economic and social strangulation of the GS population. However, it was forced to reduce it, as resistance and return marches escalated.

Concerning the resistance operations during 2018–2019, the Shabak registered 3,006 attacks in 2018 compared to 2,682 in 2019 in the WB, including East Jerusalem, GS and the 1948 occupied territories. With this, the monthly

rate in 2019 was little less than that of 2018. The Shabak recorded 1,153 attacks in WB (excluding Jerusalem) in 2018, compared to 1,050 in 2019, and recorded 198 in East Jerusalem in 2018, compared to 247 recorded in 2019. It also recorded 5 attacks in the 1948 occupied territories in 2018, compared to 3 in 2019. In GS, the Shabak recorded 1,650 attacks in 2018, compared with 1,380 recorded in 2019.

### Geographical Distribution of Palestinian Resistance Operations 2018–2019

Year	WB (Jerusalem excluded)	East Jerusalem	The 1948 occupied territories	GS*	Total
2018	1,153	198	5	1,650	3,006
2019	1,050	247	3	1,380	2,682
Total	2,203	445	8	3,030	5,688

\*Including operations from the Sinai Peninsula.

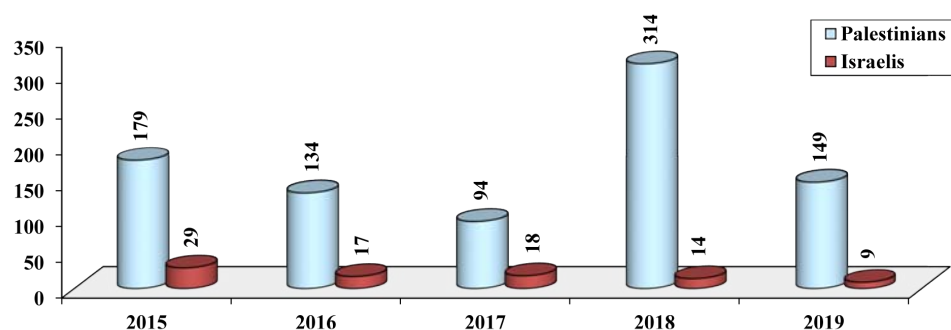
In 2018, a total of 314 Palestinians were killed by the Israelis, including 57 children and 3 women, while a total of 149 Palestinians were killed in 2019, including 33 children and 12 women, by Israeli forces and settlers in both GS and WB, including Jerusalem. 31,603 Palestinians were injured in 2018, while more than 15,287 Palestinians were injured in 2019. The rise in the number of wounded was due to shooting bullets and tear gas at peaceful demonstrators participating in the return marches at the GS border, in addition to the storming of Palestinian towns, villages and refugee camps in WB and Jerusalem.

The Shabak recorded the killing of 14 Israelis in 2018, and 9 in 2019, because of Palestinian attacks. 77 Israelis were injured in 2018, compared to 65 in 2019.

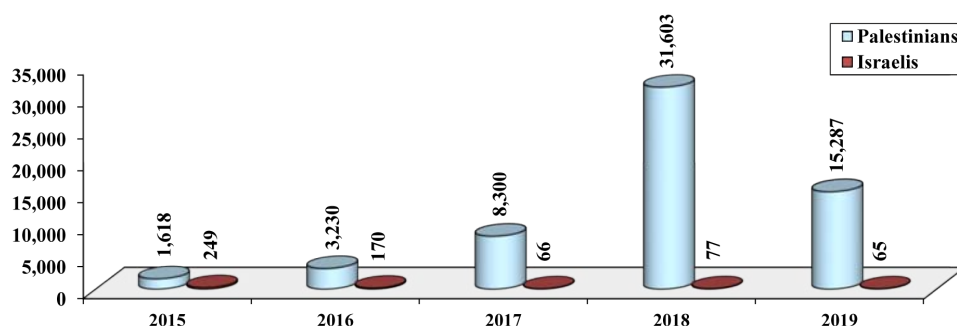
### The Killed and Wounded Among Palestinians and Israelis in WB and GS 2015–2019

Year	Killed		Wounded	
	Palestinians	Israelis	Palestinians	Israelis
2015	179	29	1,618	249
2016	134	17	3,230	170
2017	94	18	8,300	66
2018	314	14	31,603	77
2019	149	9	15,287	65

#### Palestinians and Israelis Killed in WB and GS 2015–2019



#### Palestinians and Israelis Wounded in WB and GS 2015–2019



## ***Prisoners and Detainees***

In 2018 and 2019 the suffering of Palestinian prisoners continued. By the end of December 2019, the number of prisoners in Israeli prisons reached approximately 5,000, of whom 41 were women, 185 children, and 7 PLC members. There were 4,622 prisoners from WB, of whom 308 were from East Jerusalem, 308 from GS and 70 from the 1948 occupied territories, in addition to dozens of Arab detainees of different nationalities. 458 of the prisoners were classified as administrative detainees, or detainees pending trial, or what Israel calls “unlawful combatants,” among which 5 PLC members.

At the end of 2018, there were 5,450 in Israeli prisons, including 54 women and 215 children, as well as 8 PLC members. There were 5,082 from WB—of which 353 were from East Jerusalem—298 from GS and 70 from the 1948 territories, in addition to dozens of Arab detainees of different nationalities. 495 of the prisoners were classified as administrative detainees, among which 5 PLC members.

### **Prisoners and Detainees in Israeli Prisons 2015–2019**

<b>Year</b>	<b>Total no. of detainees</b>	<b>WB*</b>	<b>GS</b>	<b>Serving life sentences</b>	<b>Women</b>	<b>Children</b>
<b>2015</b>	6,900	6,482	328	502	55	450
<b>2016</b>	6,500	6,080	350	459	53	300
<b>2017</b>	6,119	5,729	320	525	59	330
<b>2018</b>	5,450	5,082	298	540	53	215
<b>2019</b>	5,000	4,622	308	540	38	185

\* Approximate numbers according to the Prisoner Support and Human Rights Association — Addameer.

## ***The Peace Process***

The peace process now is in a state of clinical death, and since 2014 nothing new was done to breathe new life into it. The Trump administration identified with the Israeli right, and sided blatantly with Israel, forging an almost full partnership in occupation, settlement building and racism. Although what was known by the media as the “deal of the century” has busied the world for more than two years, its political content was not officially announced until 28/1/2020, which largely confirms previous leaks, as they constitute a

liquidation of the Palestine issue and an adoption of the Israeli view. For they abandon the previously approved references in the peace process, such as the international law and UN resolutions, and seek to establish a *de facto* reference. As for the general outlines of the deal, it focuses on:

1. Normalization with the Arab countries and building relations with them while bypassing the Palestinian side, which would be used to pressure the Palestinians to accept Israeli terms and dictates.
2. Economic peace: Dealing with the Palestine issue as a humanitarian issue, which would be solved by improving the Palestinian economic conditions, and not dealing with it as the issue of a people under occupation, who seek liberation. The economic aspect of the deal was presented at the Bahrain conference held on 25/6/2019, however, the Palestinian boycott and the lack of interaction of on the part Arab, Islamic and international powers made it fail.
3. Ending the two-state solution, and giving the Palestinians of WB and GS a demilitarized autonomy (in the name of the state) and under Israeli hegemony, while the WB would become shattered bantustans surrounded by Israel from all sides, and GS would be disarmed and Hamas subdued. Moreover, to get rid of the Palestinian population density, the Triangle Communities of the 1948 occupied territories would become part of the Palestinian small state, while keeping the borders of the Palestinian state undefined for four years.
4. Abolishing the right of return of Palestinian refugees, imposing full sovereignty over Jerusalem, and annexing the Jordan Valley and the WB settlements. As a prelude, the US has taken practical measures, it recognized Jerusalem as the capital of Israel, moved its embassy there. It cut its support to UNRWA to weaken it, even sought to abolish it and tried to change the refugee status, while trying to settle the refugees. At the end of 2019, the US administration no longer considered Israeli settlements to be illegal under international law, trying to “legitimize” them.
5. Resetting the compass of the conflict: by putting Israel into alliances in the region against “terrorism,” “political Islam” and Iran, while occupying the region with sectarian and ethnic conflicts.

It is expected that the pressure to impose the “deal of the century” on the Palestinians may increase, and perhaps the political, economic, media and military pressures may increase on GS to topple Hamas and the resistance. The unity of the Palestinian people against the “deal of the century,” the increase of the Palestinian resistance force, the widespread Arab and Islamic opposition to normalization... are also expected to disrupt the deal of the century and make it fail as dozens others had previously failed.

### The Future “State of Palestine” According to the “Deal of the Century”





## **Sixth: The Israeli Scene**

### ***The Internal Situation***

In 2018-2019, the Israeli society became more dominated by religious and nationalistic extremism, which was evident when the Knesset approved the Jewish Nation-State Law as a Basic Law. It grants special benefits to the Jews, making it a racist law. This law has come in the context of right-wing parties seeking to codify government political trends, for they increased the Zionist Jewish domination, imposed sovereignty on parts of WB and tightened repressive measures against the 1948 Palestinians.

For the first time in Israel's history, legislative elections were held for two consecutive times in the same year (2019). In both cases, the two major parties, Likud and Blue and White, failed to form a government that would have a majority vote in the Knesset, and failed also to form a coalition government. Consequently, a third election was called for, which will be held in March 2020. This situation has brought the political system into a state of instability and difficulty in resolving important issues.

Prime Minister Netanyahu was charged with corruption charges (and was indicted in November 2019), thus these charges became a source of concern and a threat to Netanyahu's political future. However, despite of all this, he managed to achieve advanced results for the Likud party in the general elections, and on 26/12/2019, he won again the confidence of his party in its internal elections.

The Palestinian Arab community in the 1948 occupied territories faces the Israeli racist policies with steadfastness and persistence. Part of this community has participated in the legislative elections to try to defend their rights, and in the last elections, united in one list, they won 13 seats.

### ***Demographic Indicators***

Israel's Central Bureau of Statistics (CBS) estimated Israel's population at the end of 2018 at 8.968 million, including 6.664 million Jews, or 74.3% of the population. As for the Arab population, including residents of East Jerusalem

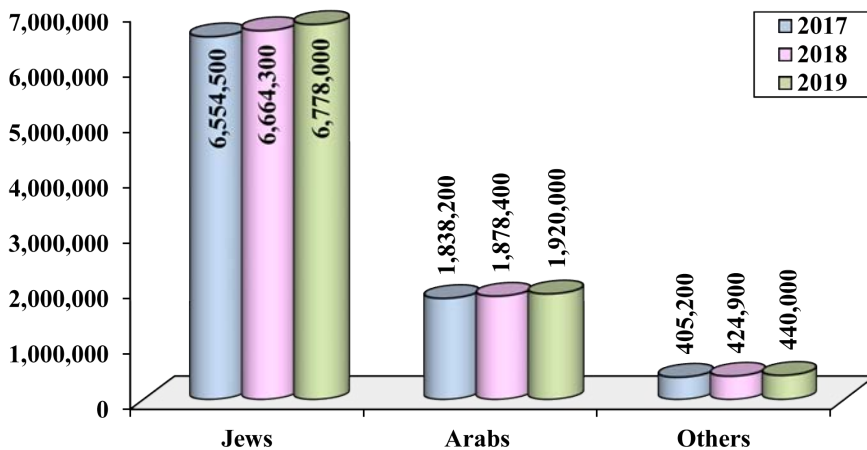
and the Golan Heights, CBS estimated it at 1.878 million, or 20.9% of the population, in 2018. If we deduct the population of East Jerusalem (approximately 350 thousand) and the Golan (approximately 25 thousand), the number of Palestinians in the 1948 occupied territories will be about 1.503 million in 2018, or about 16.8% of the population. In 2017 and 2018, Israel's population growth rate was 1.7%, while it was among the Arab population 2.2%.

### Population of Israel (selected years)

Year	Total population	Jews	Arabs (including the population of East Jerusalem and the Golan Heights)	Others
2011	7,836,600	5,898,400	1,609,800	328,400
2013	8,134,500	6,104,500	1,683,200	346,800
2015	8,463,400	6,334,500	1,757,800	371,100
2016	8,628,600	6,446,100	1,797,300	386,200
2017	8,797,900	6,554,500	1,838,200	405,200
2018	8,967,600	6,664,300	1,878,400	424,900
2019*	9,138,000	6,778,000	1,920,000	440,000

\* The numbers of 2019 are based on the rate of the first eleven months according to CBS.

### Population of Israel 2017–2019



Up to 26,357 and 28,099 immigrants came to Israel in the years 2017 and 2018, respectively. In 2019, 34 thousand immigrants had arrived in Israel. These numbers show relatively stable migration rates in 2015–2019, but the numbers remain small compared to the last decade of the twentieth century, after the depletion of Jewish populations in the diaspora ready for large-scale immigration, as for the Jews abroad, they were confined to developed countries in North America and Europe, where they don't have an incentive to migrate on a large scale.

### Number of Jewish Immigrants to Israel 1990–2019

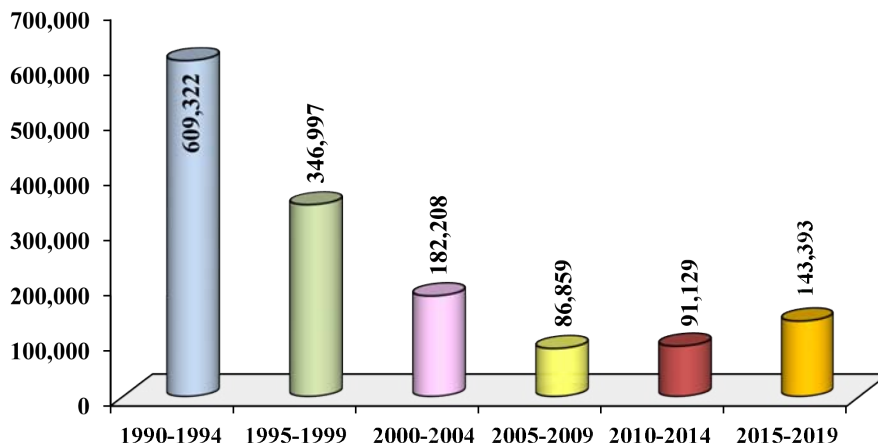
Year	1990–1994	1995–1999	2000–2004	2005–2009	2010–2014
No. of immigrants	609,322	346,997	182,208	86,859	91,129

Year	2015	2016	2017	2018	2019*	Total
No. of immigrants	27,908	27,029	26,357	28,099	34,000	1,459,908

\* Estimates.

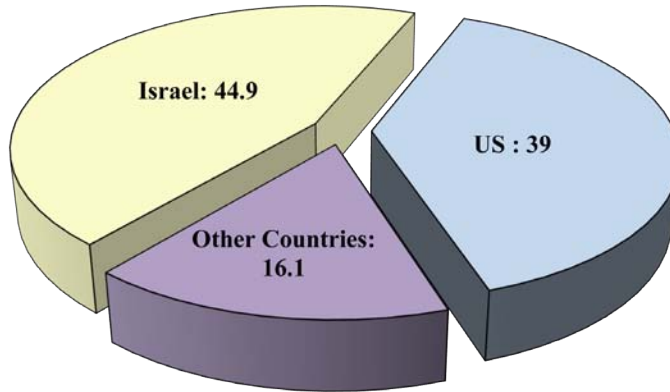
The following chart shows the evolution of the number of Jewish immigrants to Israel for every five years in the period 1990–2019.

### Number of Jewish Immigrants to Israel 1990–2019



On the other hand, the number of Jews in the world was estimated at 14.606 million at the end of 2018, 83.9% of whom live in the United States and Israel. At the same time, for the past fifty years, the halt of growth in the number of Jews in the world has continued, excluding Israel, and this is due to the low rate of natural growth, the abandonment of the Jewish religion, and the spread of mixed marriages.

**World Jewish Population 2018 (%)**



### ***Economic Indicators***

Israel's economic situation is considered advanced compared to the living levels and the economies in Europe, and if compared to the Middle East. It lives at the expense of the Palestinian people, their land and natural resources, benefits from the US support and the influence of the western world, and takes advantage of the absence of official Arab risks, and of its normalization with many Arab countries.

Israel's GDP in 2017 was 1,271.6 billion shekels (\$353 billion) compared to 1,330.6 billion shekels (\$370 billion) in 2018, reflecting growth of 4.6%. In 2019, Israel's GDP, according to data available from the first three quarters of the year, was estimated at 1,391.9 billion shekels (\$390 billion) marking growth of 4.6%.

The Israeli GDP per capita was 149,828 shekels (\$41,654) in 2018. Based on available data, the GDP per capita will be 154,257 shekels (\$43,218) in 2019.

The public expenditure of the Israeli government in 2018 amounted to 506.87 billion shekels (\$140.9 billion), while the general expenditures approved for the budget in 2019 was 503.129 billion shekels (about \$141 billion). General revenues amounted to 468.519 billion shekels in 2018 (\$130.253 billion). The public revenues approved for the budget of 2019 were 503.129 billion shekels (about \$141 billion). The value of Israeli exports in the dollar rose by 1.3%, while Israeli imports rose by 10.8% in 2018.

As for the year 2019, according to figures available until November, the value of Israeli exports in the dollar decreased by 5.4%, while Israeli imports decreased by 1.3%.

**Total Israeli Exports and Imports 2016–2019 at Current Prices**  
(\$ million)

Year	2016	2017	2018	2019*
Exports	60,573.2	61,151.5	61,951.4	58,597.1
Imports	65,804.5	69,144.7	76,610.7	75,580.9

\* Estimates based on the first eleven months of the year.

The US still maintains its status as the primary trading partner of Israel. In 2018, Israeli exports to US amounted to \$16.696 billion, representing 27% of total Israeli exports, while Israeli imports from the US reached \$9.755 billion (12.7% of total Israeli imports). In the same year, China ranked the second largest trading partner of Israel, UK the third and Switzerland the fourth.

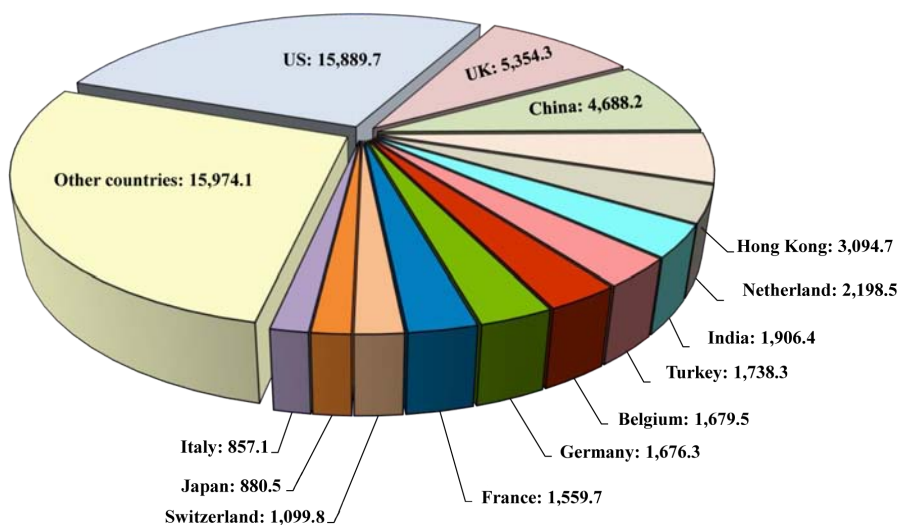
According to the available data until November 2019, the US continued to maintain its status as the primary trading partner of Israel. The Israeli exports to US amounted to \$15.9 billion, while Israeli imports from the US reached \$12.2 billion. In the same year, China ranked the second largest trading partner of Israel, UK the third and Germany the fourth.

**Volume of Israeli Trade, Exports and Imports With Selected Countries 2018–2019 at Current Prices (\$ million)**

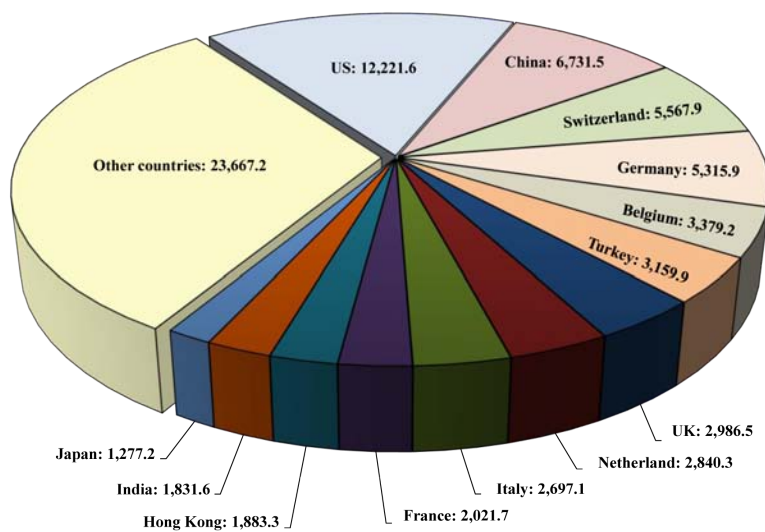
	Countries	Trade volume		Israeli exports to:		Israeli imports from:	
		2019	2018	2019	2018	2019	2018
1	US	28,111.3	26,451.1	15,889.7	16,696	12,221.6	9,755.1
2	China	11,419.7	11,614.9	4,688.2	4,778.6	6,731.5	6,836.3
3	UK	8,340.8	10,492.6	5,354.3	4,341.2	2,986.5	6,151.4
4	Germany	6,992.2	7,197.2	1,676.3	1,777.2	5,315.9	5,420
5	Switzerland	6,667.7	9,109.1	1,099.8	1,351.9	5,567.9	7,757.2
6	Belgium	5,058.7	6,016.7	1,679.5	2,193.5	3,379.2	3,823.2
7	Netherland	5,038.8	5,558.1	2,198.5	2,275.6	2,840.3	3,282.5
8	Hong Kong	4,978	6,429.8	3,094.7	4,227.1	1,883.3	2,202.7
9	Turkey	4,898.2	4,797.9	1,738.3	1,912.4	3,159.9	2,885.5
10	India	3,738	3,933	1,906.4	2,149.5	1,831.6	1,783.5
11	France	3,581.4	3,803.5	1,559.7	1,605.9	2,021.7	2,197.6
12	Italy	3,554.2	3,823.4	857.1	981.7	2,697.1	2,841.7
13	Japan	2,157.7	3,087.4	880.5	1,031.6	1,277.2	2,055.8
14	Other countries	39,641.3	36,247.4	15,974.1	16,629.2	23,667.2	19,618.2
	<b>Total</b>	<b>134,178</b>	<b>138,562.1</b>	<b>58,597.1</b>	<b>61,951.4</b>	<b>75,580.9</b>	<b>76,610.7</b>

Note: The 2019 numbers are estimates based on the first eleven months of the year.

### Israeli Exports to Selected Countries 2019 at Current Prices (\$ million)



### Israeli Imports from Selected Countries 2019 at Current Prices (\$ million)



Although Israel is a rich and developed country, it still receives US aid annually, with an annual average of \$3.1 billion (1979–2017). Since 2018, it has increased to reach a total annual of \$3.8 billion, including \$3.3 billion in military grants. Thus, Israel has received US support between 1949 and 2019 of \$138.29 billion.

**US Bilateral Aid to Israel 1949–2019 (\$ million)**

Period	1949–1958	1959–1968	1969–1978	1979–1988	1989–1998	1999–2008
<b>Total</b>	599.6	727.8	11,426.5	29,933.9	31,551.9	29,374.7

Period	2009	2010	2011	2012	2013	2014
<b>Total</b>	2,583.9	2,803.8	3,029.2	3,098	3,115	3,115

Period	2015	2016	2017	2018	2019	<b>Total</b>
<b>Total</b>	3,110	3,110	3,107.5	3,805.8	3,800	<b>138,292.6</b>

### ***Military Indicators***

Israeli military estimates reassure that there is an Israeli qualitative superiority over the regional official forces and armies, and that Arab regimes constitute no real challenge. However, the Israel military assessments state that Israel is facing increasing risks, whether from GS or from the northern front (Syria and Lebanon); especially due to the development of missile and “cyber” resistance capabilities and the potential use of drones... The reports and discussions at the 18th and 19th Herzliya Conferences have reflected such fears, which made “defense” an important aspect of the Israeli national security strategy.

As the multi-year plan, known as Gideon Plan (2016–2020) was reaching its final year, the Israeli army Chief of Staff Aviv Kochavi presented his multiyear plan for the Israeli army, called “Tnufa”(momentum in Hebrew), in which the criterion of victory is considered when causing great casualties to the “enemy.”

The Israeli army has approximately 615 thousand soldiers, of whom 170 thousand are actually in service. As for the reserve forces number, it is around 445 thousand, who are highly ready and can be fully mobilized and



effectively enter service within four days. There has been a significant increase in the influence of the right-wing religious movement, even at high ranks.

In 2018–2019, the Israeli army launched a series of military exercises that included most of its weapons types. These exercises included most fronts: internal, southern, northern, maritime and air, as well as exercises with other armies, such as the US, British, Italian, Greek, Cypriot and Egyptian armies, and it was noted that the UAE participated in one of these exercises. Some of these exercises focused on simulating a military operation to occupy GS and a big war with Hizbullah in Lebanon.

Based on actual spending, the Israeli military budget in 2018 was \$20.169 billion (72.547 billion shekels), while it was estimated at \$20.139 billion (69.822 shekels) for 2019. Until the preparation of this report, the actual military spending of 2019 was not clear, where it was expected to increase. The military exports in 2018 exceeded \$7.5 billion, where most of them were to Asia and the Pacific regions, but this number is less than the \$9.2 billion that was reached in 2017, and until the preparation of this report, it was not clear the value of arms exports in 2019.

## **Seventh: The Palestine Issue and the Arab World**

The Palestinian issue was affected by the protests and uprisings in the Arab region, and the state of weakness, fragmentation and conflicts that took on sectarian and ethnic dimensions. It was also employed in the polarization of the region between the axis of “resistance” countries and the axis of “moderate” countries. As for Israel, it took advantage of the regional conflict and weakness, and tried to normalize its presence in the region, and transform from being an enemy into an ally of some Arab countries, in face of its enemies in the region, thus resetting the compass of the conflict from being in Israel’s direction.

The League of Arab States (LAS) has remained ineffective, for it did not activate its soft power and influence, rather drowning itself in the quagmire of Arab disputes. It was only an observer regarding the Palestinian reconciliation, while issuing limited denunciations statements regarding the US accelerated liquidation of the Palestine issue. The LAS had no role or effect worth mentioning in reducing the tension and estrangement between some Arab countries, in stopping the drain of Arab capabilities used to face the will of the Arab peoples and support the counter-revolution forces.

The relative stability of Egypt supported its regional position, and helped it to partly restore its soft power. It still plays the mediator role rather than being an actor and an influencer. Concerning the Palestinian reconciliation, Egypt maintained a good relationship with all Palestinian parties and improved its relationship with Hamas, however, it failed to make tangible breakthrough that would complete the reconciliation. As for the “deal of the century,” the Egyptian stance is still not clear enough. For despite the Egyptian officials having rejected media reports concerning the resettlement of Palestinians in Sinai, they have declared their support of the US efforts to solve the Palestine issue, and even have engaged in the initiatives that would achieve Trump’s vision of “peace” in the region, such as Bahrain’s “Peace to Prosperity” workshop. During the Sissi term, the Egyptian-Israeli relations have witnessed a remarkable prosperity, and their security coordination has reached its climax, especially regarding Sinai.

Relations between Jordan and Israel were strained because on one hand, the Israelis have ignored the Jordanian guardianship of the holy sites in Jerusalem, and on the other hand, Jordan has announced its rejection of the “deal of the century,” and what it may lead to, such as the settlement of Palestinian refugees in Jordan. The tension between the two has led to a diplomatic chill, which was evident when Jordan refused to renew the land lease of al-Baqoura and Ghumar, and when King ‘Abdullah announced that “The Jordanian-Israeli relationship is at an all time low.”

The continuation of its crisis has reduced Syria’s regional role. As for Israel, it is trying to exploit the Syrians’ preoccupation with the internal conflict in order to impose facts on the ground, and consolidate and “legitimize” its control of the Golan Heights, with the help of its American ally. At the same time, it has tried to impose rules of the game that are in its favor and would maintain its security. It has rejected the Iranian presence in Syria, using repeated bombing there to send a message that it would not tolerate Iranians at its borders. As a result of the conflict in Syria, the harsh suffering of the Palestinian refugees has also continued.

The issue of Palestinian refugees in Lebanon was brought forward and escalated when the Lebanese Labor Minister announced some additional measures that would compound the suffering of Palestinians there. These measures were contrary to the positions of the Lebanese parties that agreed to improve their conditions. This led to mass protests among Palestinians that were contained later by the Lebanese government. As for the Israelis, they tried to set new rules of engagement in Lebanon, but Hizbullah and the Lebanese forces failed them. The Israeli aggressions against Lebanon continued in one way or another, whether through intelligence warfare, when active Mossad cells were discovered after the failed assassination attempt of a Palestinian leader, or through Israeli expropriation attempt of the Lebanese gas in the territorial waters. In addition. Due to the Lebanese protests beginning October 2019 and the economic collapse, the suffering of the Palestinian refugees in Lebanon has multiplied to unprecedented levels.

Concerning the KSA, and although the Gulf summits have permanently announced their standing with the Palestinian people and their leadership, news have widely spread about its openness and normalization with Israel, and its unofficial support for the “deal of the century.” Moreover, The negative positions of KSA, the UAE, and Bahrain regarding the Palestinian resistance have emerged, considering it an Iranian “tool,” whereas Kuwait and Qatar remained supportive. This Gulf states hostility towards Iran encouraged Israeli attempt to establish a US-supported security alliance with them.

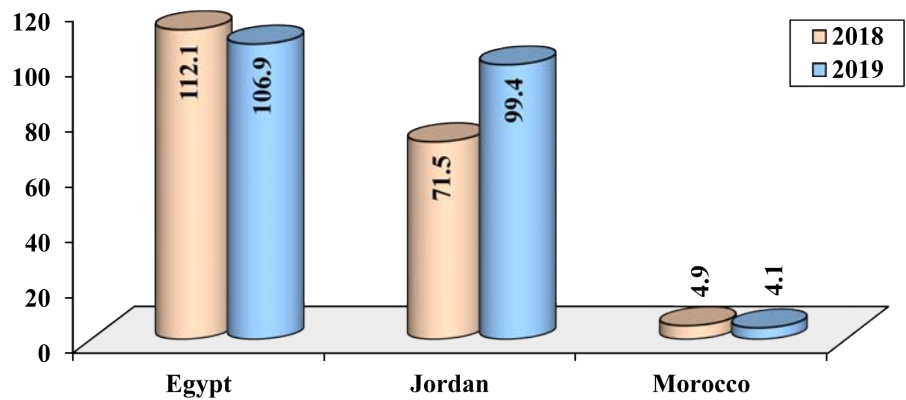
The winning of Kais Saied the Tunisian presidency have given a moral boost to the Palestine issue and to facing normalization. Nevertheless, on one hand there were broad popular solidarity activities supporting the Palestine issue, while on the other, some regime-supported media have systematically attacked the resistance and the Palestine issue. Normalization activities supported by the Arab regimes increased, under the cover of international conferences, sports activities, and achieving economic interests. The Gulf countries were at the forefront of such activities, such as Bahrain, UAE, KSA, Oman and Qatar, while Kuwait remained against normalization. The following table illustrates the Israeli trade with some Arab countries.

**Israeli Exports and Imports to/from Some Arab Countries  
2018–2019 (\$ million)**

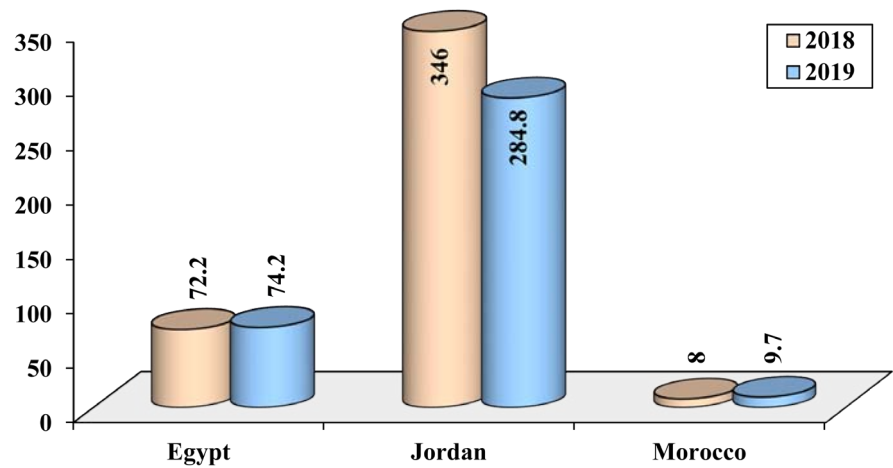
Country	Israeli exports to:		Israeli imports from:	
	2019	2018	2019	2018
<b>Egypt</b>	106.9	112.1	74.2	72.2
<b>Jordan</b>	99.4	71.5	284.8	346
<b>Morocco</b>	4.1	4.9	9.7	8

Note: The 2019 numbers are estimates based on the first eleven months of the year.

Israeli Exports to Some Arab Countries 2018–2019 (\$ million)



Israeli Imports from Some Arab Countries 2018–2019 (\$ million)



## **Eighth: The Palestine Issue and the Muslim World**

The PSR analyzes the conditions of the Palestine issue and the Muslim world, by studying the Organisation of Islamic Cooperation (OIC) through two regional players: Turkey and Iran. It explores the tracks of popular interaction with the Palestine issue and normalization.

### ***Turkey***

The years 2018–2019 have witnessed an active Turkish role concerning the Palestine issue. It has mostly focused on Jerusalem after the decision to relocate the US embassy there, leading the Muslim world in a joint action by convening an OIC summit in Turkey, which was also the rotating term president between 2016 and 2019.

Turkey's position on the Israeli practices against the Palestinians was one of the most vocal, particularly, when the latter had directly targeted the participants in the major return marches in GS. In the past two years, the tension between Ankara and Israel has continued, in addition to the media and political exchange. Not only they had differences concerning the Palestine issue, but also concerning their direct bilateral relations and their contradicting interests in the region. However, both countries were keen to isolate their trade relations, from political and media tension. In 2019, Turkey remained the primary trading partner of Israel in the Muslim world, with exports to Israel reaching \$3.16 billion and imports from Israel \$1.74 billion.

Ankara has strengthened ties with the Palestinians, the PA in particular. It maintained its good relations with Hamas, and at the end of 2019, these relations have quite improved, when President Erdoğan met with a delegation headed by Khalid Mish'al, then with one headed by Isma'il Haniyyah. Whereas its relations against Muhammad Dahlan have recently escalated, when an arrest warrant was issued against him, and a bounty for information leading to his arrest was offered.

This Turkish role shaped by several factors and determinants, has gradually and slowly developed, and most probably would continue at the same pace in the near future. If there was any Palestinian effort within a clear vision and priorities, this role may develop.

## *Iran*

The economic and political pressures in Iran did not prevent its officials from declaring their clear condemnation of the “deal of the century” and the normalization with Israel. Iran’s leadership reiterated its fundamentals including that Israel is not legitimate, its support of resistance movements in Palestine and strengthening and developing this relationship at all levels.

After having declined in the past recent years, the Iran-Hamas relations have developed significantly, regaining its vitality and warmth.

Perhaps the seriousness of the attempts to liquidate the Palestine issue—whether moving the US embassy to Jerusalem, the acceleration of Arab normalization with Israel, or the US announcement that it no longer considers Israeli settlements to be illegal under international law, in addition to the weakening of Iran economically and politically—have prompted Hamas and Iran to accelerate their meetings in order to cooperate and affirm their agreement on supporting the resistance. During a meeting with Saleh al-‘Arouri, deputy chairman of the Hamas political bureau, in the summer of 2019, Ayatollah Khamenei said, “Hamas is at the heart of the Palestinian movement as Palestine is at the heart of the world of Islam’s movement.” As for the head of Hamas in GS, Yahya Sinwar, he praised this relationship and Iran’s role in providing support to the resistance.

The US assassination of the Iranian Revolutionary Guard Corps’ Quds Force Commander General Qassem Soleimani, on 3/1/2020, has sparked a widespread escalation between Iran and the US, along with Iranian threats to Israel. Palestinian delegations participated in the funeral of Soleimani, the most prominent of which was the Hamas delegation headed by Hamas Chief Isma‘il Haniyyah.

### ***The Tracks of Popular Interaction and Normalization***

Hundreds of solidarity activities supporting the Palestinian people have taken place in the Muslim world. The issues of Jerusalem and *al-Aqsa* Mosque, and facing Israeli attacks and Judaization attempts, have been a unifying and motivating factor to Muslims, where major events were held in Indonesia, Malaysia, Turkey, Iran, Pakistan, Nigeria and others.

Israel, while taking advantage of US influence, and due to its military and technological capabilities, have been trying to score some breakthroughs in some Muslim countries, however, they were limited due to the animosity of their people towards Israel.

Turkey continues to lead the economic relations with Israel, and there are Muslim countries that actively trade with Israel without having official diplomatic relations with it. The following table illustrates the trade volume with a number of Muslim countries in 2018–2019.

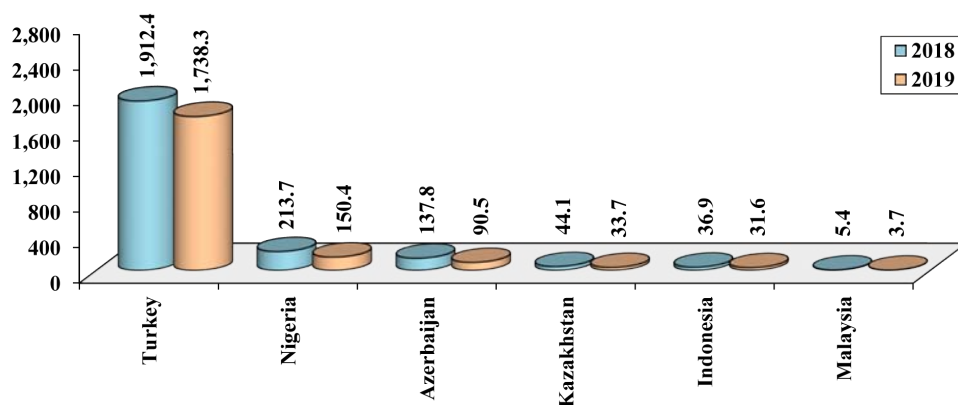
**Israeli Exports and Imports to/from a Number of Non–Arab Muslim Countries 2018–2019 (\$ millions)**

Countries	Israeli exports to:		Israeli imports from:	
	2019	2018	2019	2018
<b>Turkey</b>	1,738.3	1,912.4	3,159.9	2,885.5
<b>Nigeria</b>	150.4	213.7	6.2	3.9
<b>Azerbaijan</b>	90.5	137.8	0.5	1.6
<b>Kazakhstan</b>	33.7	44.1	0.3	4.1
<b>Indonesia</b>	31.6	36.9	42.5	68
<b>Malaysia</b>	3.7	5.4	11	11.8

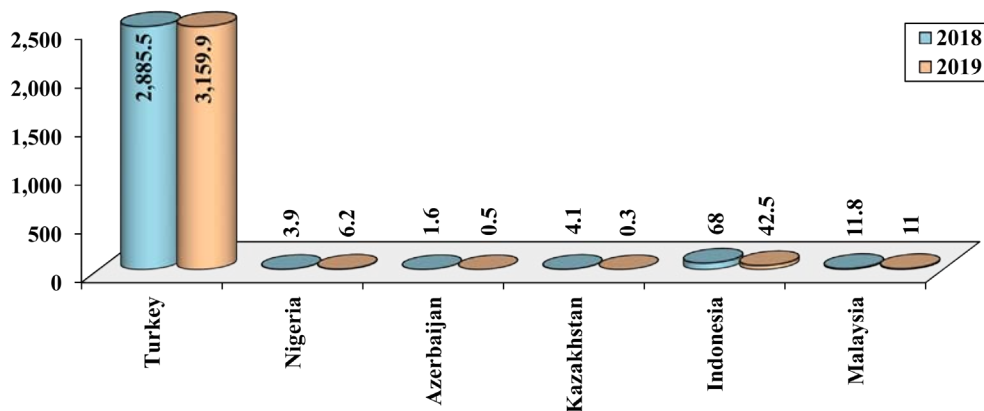
Note: The 2019 numbers are estimates based on the first eleven months of the year.



### Israeli Exports to Some Non-Arab Muslim Countries 2018–2019 (\$ million)



### Israeli Imports from Some Non-Arab Muslim Countries 2018–2019 (\$ million)

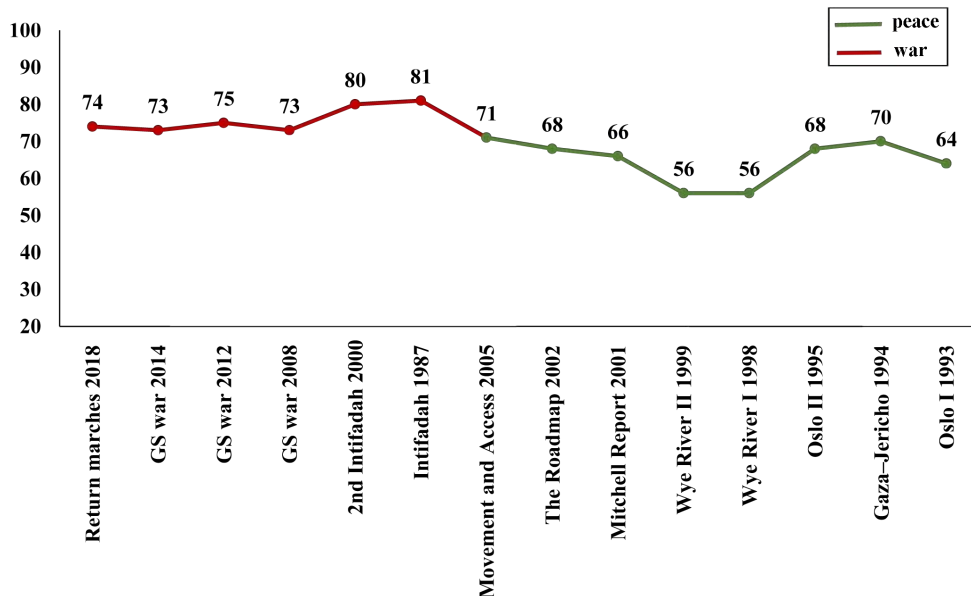


## **Ninth: The Palestine Issue and the International Situation**

During 2018–2019, a number of international developments occurred, which have direct or indirect repercussions on the Palestine issue, in the near, medium or long term. The gradual tendency towards a multipolar international system has continued, the warmth of the European-US relations is no longer the same, and the Brexit has made the EU decisions less considerate of the US positions, as was the case when the UK was in. The EU countries, in 2018–2019, have voted in favor of the Palestinian rights in about 76% of UN resolutions, which has become increasingly important. For there are Israeli concerns that there is a quiet shift in international opinion in favor of Palestinian rights, which prompted Israel to employ more digital platforms. The impact of the international public opinion is manifested in individual attitudes and in the reports of non-governmental international bodies and organizations, supporting the Palestine issue, and in the wider support for the Boycott, Divestment, and Sanctions (BDS) movement, whose calls for academic and economic boycott of Israel have been increasingly answered.

In return, there are opposing trends, the most prominent of which is the pursuit of Arab countries in their international relations—especially the Gulf states—to marginalize the Palestine issue, while putting other regional issues at the forefront, most importantly Iran. In addition, the role of the Quartet—charged to follow up the peace process—has been declining, while the US continues to disrupt the Security Council from keeping up with the decisions of the General Assembly or the specialized UN agencies of the United Nations, so that it would further recognize the rights of the Palestinian people. Notably, the study of voting in the UN during the past 30 years indicates that the number of votes supporting the Palestine issue increases when there is an escalation in Palestinian resistance and uprisings, and decrease in the period of agreements and peace process talks.

### The Percentage of Votes Supporting the Palestine Issue at All UN Agencies 1987–2018



In addition, the US announcement that Israeli settlements are legal is unconventional to the US foreign policy. It was concomitant with US economic, political and military policies further restricting the Palestinian resistance. The danger of US policies in the near future was evident when the “deal of the century” was announced on 28/1/2020, which adopts the Zionist Likudist vision, seeks to end the two-state solution, and transforms the Palestine issue from a strategic political issue to an economic one, as was done in Bahrain’s “Peace to Prosperity” workshop, in June 2019. Moreover, it deals with Palestine as a real estate, not as an occupied homeland, thus turning it into a tool for more Arab-Israeli normalization.

The Israel lobby has supported the British Conservative Party to win the early elections in 2019. It is one of the negative developments that may be added to other negative indicators that may pave the way for an international environment that Israel desires.

Undoubtedly, the 2020 US presidential elections will have clear repercussions in case Trump was re-elected. This is despite the turmoil in the US administration, the continuous change in its leadership during his presidency,

his prosecution for abuse of power, the Russian role in the US elections and his relationship with Ukraine. Israel will support Trump's re-election, supported by the Israel lobby.

In 2018–2019, the policies of the BRICS countries (Russia, China, India, Brazil, and South Africa) did not witness any fundamental change, except for that in Brazil, where a pro-Israel president was elected. As for China, the prospects for strengthening the Chinese-Israeli relations are good, if the Chinese Belt and Road Initiative (BRI) makes greater progress in the region. In India, the Hindu Bharatiya Janata Party (BJP) would continue to strengthen the relationship with Israel after its victory in the elections. Whereas South Africa will remain an important supporter of the Palestine issue.

The policies of the African Union countries have remained supportive of the Palestinian positions, except for Ghana, Kenya and particularly Ethiopia. These three are the most supportive of Israel, in the African continent.

## **Tenth: The Most Prominent Pathways 2020–2021**

- The crisis of the Palestinian national project would continue, the PLO status and efficiency would deteriorate, and the Palestinian schism and the conflict between the resistance and peace tracks would continue, in light of the current Palestinian leadership insistence on dominating the decision-making.
- The PA erosion would continue, where the occupation would continue to empty it of any national content while amplifying its living and security role, under its hegemony.
- During 2020, it is unlikely that free and fair PLC elections would be held in WB and GS, where all Palestinian forces would participate.
- Security coordination between the PA in Ramallah and Israel would continue.
- As long as GS is ruled by resistance forces, the siege would continue, albeit in varying degrees.
- Israel would take advantage of the Arab and Islamic deterioration and the unprecedented US support, hence the risk of the Judaization of Jerusalem and *al-Aqsa* Mosque and the attacks against Islamic and Christian holy sites would increase.
- The likelihood of Israel formally annexing parts of WB—such as the settlements, the Jordan Valley and beyond the Separation Wall—would increase, especially after Trump’s announcement of the “Deal of the Century,” on 28/1/2020.
- The Palestinian economy in PA territories would remain dependent on the Israeli occupation.
- The peace process path is blocked, and the two-state solution would fall apart.
- Hamas and the resistance movements in GS would witness increasing pressure to subdue them into accepting the “deal of the century.”
- The US promotion of what is known as the “deal of the century” among Palestinians and Arabs would fail, while seeking to impose some of its aspects on the ground.

- The steadfastness of the people in historic Palestine would continue, while their numbers would increase and exceed the population numbers of Jews.
- The capabilities of the Palestinian resistance would improve, and its qualitative fighting capabilities would increase, especially concerning rockets, cyberattacks and drones (UAVs).
- The Israeli society would become dominated more by religious and “nationalist” extremism.
- The strategic risks that Israel may face would increase, whether because of the development of resistance capabilities, the possibilities of changing the surrounding strategic environment, or the failure of the peace settlement and normalization paths.
- The “counter-wave” of the Arab Spring would reach its limit, be drained, and more cracks would appear in its walls, since there are signs that the pro-resistance forces are gradually recovering their vitality.
- The countries that have rushed into normalization with Israel would face more confusion and make their recalculation.
- The positive Turkish role in the Palestine issue would continue.
- The Iranian pro-Palestinian resistance role that refuses to recognize Israel would continue, and the chances of direct and indirect friction between Iran and Israel would increase.
- Despite the US-Israeli harmony, the official international position towards the Palestine issue would continue.
- The sympathy of the international public opinion with the Palestine issue would slowly and gradually increase, the activities of the BDS movement would increase, as well as the incrimination of the Israeli occupation.

Summary  
of  
The Palestine Strategic Report  
2018 - 2019



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